

Area Agency on Aging 1-B
HB 4836 Long-Term Care Insurance Amendments
Senate Insurance Committee Meeting 10/28/2015



(800) 852-7795

Good morning Chairman Hune and Insurance Committee members. My name is Natalie Novello and I am the Research and Advocacy intern at Area Agency on Aging 1-B (AAA 1-B) which serves six counties in Southeast Michigan, namely: Livingston, Macomb, Monroe, Oakland, St. Clair and Washtenaw Counties. Thank you for taking the time to hear my testimony today which will focus on the long-term care insurance amendments.

In 2012 the AAA 1-B Advisory Council created an Ad Hoc Study on Long Term Care Insurance. The study focused on education on retirement, long-term care insurance policy development, and protections for long term-care consumers. One of the recommendations of this study was for Michigan to participate in a partnership long-term care insurance program. This would allow Michiganders with long-term care policies to protect some of their assets when they have exhausted their policy benefits. Forty-one states currently have long-term care insurance programs and AAA 1-B is pleased to see that this issue is also moving forward in Michigan¹.

As many of you may know, after the first 100 days in a skilled nursing facility Medicare assistance ends, which means that these older adults and their families have to pay for services completely out-of-pocket or apply to Medicaid². In order to qualify for Medicaid, the resident can only have assets less than, or equal, to \$2,000². This means that some older adults must lose nearly all of their assets to pay for their nursing home services before Medicaid will pay². The older adults that are appropriate for the partnership in this bill will be able to retain a larger portion of their assets while still qualifying for Medicaid coverage².

The AAA 1-B Board and Advisory Council urge your support for HB 4836 to support partnership long-term care insurance programs and we would ask for your continued support of older adult issues. Thank you for your time.

Natalie Novello

nnovello@aaa1b.com
Research & Advocacy Intern
Area Agency on Aging 1-B

¹<http://www.partnershipforlongtermcare.com/partnershipmaps.html>

²<http://www.partnershipforlongtermcare.com/ltcinsurance.html>